

Lower Willamette Group

Co-Chairperson: Jim McKenna, Port of Portland

Co-Chairperson: Bob Wyatt, NW Natural

Treasurer: Fredrick Wolf, Arkema

January 11, 2008

Lori Cora
US EPA
1200 Sixth Avenue
ORC-158
Seattle, Washington 98101

Chip Humphrey
US EPA
811 SW 6th Avenue
Portland, Oregon 97204

RE: Portland Harbor Superfund Site RI/FS Trust Fund
Revised Trust Budget Estimate
Lower Willamette Group

Dear Ms. Cora and Mr. Humphrey;

The Portland Harbor Superfund Site Remedial Investigation and Feasibility Study Trust Fund meets the requirements of Section 26 of the Settlement and Administrative Order on Consent for the Portland Harbor Superfund Site and this letter summarizes our revised proposal for the 2008 calendar year.

Our budget estimates indicate that field work and laboratory analysis to be conducted during the 2008 calendar year will cost approximately \$3,000,000. Our estimate for producing the Remedial Investigation Report and Baseline Risk Assessment Report is \$600,000 for the 2008 calendar year. Therefore, our budget estimate for the 2008 calendar year totals \$3,600,000. The full amount of the Trust for the 2007 Calendar Year was not withdrawn during the year and more than \$2,000,000 remains in the account as of January 11, 2008.

To complete the funding of the Trust Fund, the Lower Willamette Group proposes to deposit an additional \$1,600,000 into the Trust Fund by February 15, 2008. The rationale for depositing the additional funds into the Trust Fund by February 15, 2008 includes the following:

1. The Trust will carry a balance exceeding \$2,000,000 between January 15, 2008 and February 15, 2008, more than enough to cover any likely expenditures. There will be no gap in funding.
2. The ability of the Lower Willamette Group to petition and gain appropriate approval from Senior Management has historically been approximately 45 days. Uncertainties associated with several key RI/FS issues prevented approval of this substantial cash-call until the end of last year. Because the funding date of the Trust Fund is immediately following many corporations' year-end financial closing dates and occurs immediately after the holidays, LWG will be receiving money to place in the Trust Fund during

January and February. The LWG would like to move the funding date from January 15 to February 15 this year to make the funding cycle fit better into corporate financial planning. Again, because there is over \$2 Million in the Trust, no gap would occur.

3. The RI/FS Round 2 Report has been undergoing review by EPA since its submittal February 21, 2007. EPA has informed us that it will not be able to provide comments on the Round 2 Report prior to January 14, 2008. Moving the funding date to February 15, 2008 will give the Lower Willamette Group one month to adequately review and budget for addressing the implications of EPA's comments and determine if any further funding adjustment is warranted, although we do not currently anticipate a change.

The Lower Willamette Group has again designated the Pearl District Office of the Bank of the West in Portland, Oregon to act as trustee for this trust.

If there are any questions regarding the Trust Fund, please contact David Ashton at the Port of Portland at 503-944-7090 or Hans Feige at 503-543-9700.

Please advise us by January 14, 2008 of EPA's agreement to the February 15, 2008 date.

Sincerely;



for
Jim McKenna
Port of Portland



for
Robert Wyatt
Northwest Natural Gas

Cc: Rick Applegate; City of Portland
Fred Wolf; Legacy Site Services
Hans Feige; Feige & Associates, Inc.
Marcus Berry; Bank of the West

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